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**'They're Out There
Building Demand'**

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MATH



Trade Updates

Korean Imports of Tobacco To Rise

In 1981, Korea imported nearly 5.6 million packs of tobacco products—nearly all cigarettes—worth \$1.9 million. U.S. brands dominated the import market as foreign tourists, who are the main customers, prefer U.S. products. The Koreans are subject to a high fine if caught smoking foreign-brand cigarettes. Imports this year are expected to rise considerably because of the growing demand by foreign tourists visiting Korea.

Philippine Use, Imports Of Honey on the Rise

Consumption of honey, although still relatively small, has increased substantially in the past two years due to larger imports. Imports shot up from 226 kilograms in 1979 to nearly 24,000 kilograms in 1981. Hong Kong and Australia were the principal suppliers in 1981, shipping roughly 16,000 and 5,000 kilograms, respectively. The United States supplied 1,313 kilograms. Currently, bakeries are the major consumers. There are no restrictions on natural honey imports, but the tariff duty is 50 percent ad valorem. An advance sales tax of 7 percent of the landed cost plus 25 percent markup is also collected on imports.

Turkish Tobacco Exports Reach New High

Unmanufactured tobacco exports in 1981 reached an all-time high of roughly 131,000 tons, up by more than half from the year before. The value of tobacco exports rose 69 percent to \$395 million. The United States continued to be Turkey's largest customer, absorbing over 52 percent of total tobacco exports. The second biggest buyer was West Germany, taking nearly 14 percent. Other major importers were France, the USSR, Japan and Belgium-Luxembourg. While Turkey's tobacco exports in 1982 are not expected to be as large as last year, the possibility of a 10,000-ton sale to China suggests that exports will not be less than 110,000 tons.

U.S. Spice Trade Continues To Increase

U.S. imports of condiments, seasonings and flavorings reached an all-time high of roughly 166,000 metric tons, valued at \$207 million in 1981. Imports probably would have been even larger if importers and grinders hadn't kept inventories at a minimum because of high interest rates and poor economic conditions.

While pepper imports—both black and white—were down slightly in volume, import values plunged 30 percent to \$40.8 million because of lower prices. However, the decline in pepper import values was largely offset by a sharp increase in vanilla bean imports, as importers and users rebuilt depleted stocks.

U.S. exports of spices and condiments dipped slightly in volume to 9.087 tons, but increased about 6 percent in value to \$22.2 million. Canada continued to be the largest market, buying \$3.7 million worth.

Leading U.S. Export States Compare Favorably With World Exporters

If each of the 50 United States were considered separate countries, many would be ranked among the world's largest exporters of specific farm commodities. In the case of wheat, only Canada, Australia and France exported more than Kansas and North Dakota last fiscal year. For corn, the three largest foreign exporters—Argentina, South Africa and France—together export less than Iowa alone. The world's second largest supplier would be Illinois. Nebraska, in third position, exports about as much as Argentina. Illinois and Iowa would also be the world's largest soybean exporters, shipping out over three million tons of soybeans each.

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Selling U.S. Farm
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Features

- | | |
|---|-----------|
| 'They're Out There Building Demand' | 4 |
| As partners in promotion, FAS market development cooperators cover the globe in seeking export outlets for U.S. farm products. | |
| The Cooperators at Your Fingertips | 7 |
| Addresses of all the foreign market development cooperators | |
| The American Potato: Beginning of a World Odyssey? | 10 |
| From its dull and fattening image of just a few years ago, the American potato is now a favorite among consumers around the world. | |
| Rice Council Runs the 'Triple Option' | 12 |
| The Council has scored many rice sales, both at home and abroad, by using a marketing technique dubbed the "triple option." | |
| U.S. Wheat Associates' Recipe for Successful Marketing | 16 |
| Through trade servicing, trade missions, and an innovative spirit, USW has come up with just the right recipe for cooking up U.S. wheat sales overseas. | |
| U.S. Tanners Find Leather-Bound Markets | 18 |
| Forget about dark, musty tanneries, U.S. tanners are off to Tokyo, Paris and Beijing to put a few new wrinkles in the trade. | |
| Soybeans: The Payoff From Export Promotion | 20 |
| Each dollar invested in overseas market development yields a handsome return to U.S. farmers and taxpayers. | |
| PEIA: Foreign Shoppers Flock to American Poultry | 23 |

Departments

- | | |
|-----------------------|-----------|
| Trade Updates | 2 |
| Marketing News | 15 |



More on Cooperators in Upcoming Issues

Because of the heavy response from many of the 57 cooperators and limited space in the magazine, we will run more cooperator articles in upcoming issues.

'They're Out There Building Demand'



This demonstration of baking techniques in the Philippines is constructed outside a specially built bakery van donated by the Minnesota Wheat Council (a member of U.S. Wheat Associates).

By Aubrey C. Robinson

"Basically, they're the key to the whole export business. They're out there building demand for U.S. agricultural goods around the world and that's what moves products."

This is how Jimmy D. Minyard, Assistant Administrator, Foreign Market Development, Foreign Agricultural Service (FAS), sums up the role of the more than 50 non-profit trade groups known as FAS "market development cooperators."

The cooperators are scattered across the nation tying the American farmer to markets around the globe. They are farm-oriented groups promoting either commodities or the farm production of an entire region.

The impact of exports on American farmers today is unmistakable. The production of about two out of every five harvested acres in the United States is



directed into export channels. Today, almost one out of every three dollars earned by the American farmer comes from overseas sales. Over the years, cooperators have played a key role in finding new markets and helping to maintain established ones for these sales.

Course Charted in 1950s

The concept of export market development was embodied in the Agricultural Trade Development and Assistance Act of 1954, more commonly called Public Law 480.

Two of the more significant features of P.L. 480 were using surplus farm products to build export demand, and providing a mechanism for producers to help develop markets overseas.

The cooperator program was launched as a way of implementing these provisions. The first cooperator group to sign on was the National Cotton Council in May 1955. The latest is the Western Growers Association, which joined the ranks on June 29 of this year. The association represents more than 2,000 growers, packers and shippers of fresh produce in California and Arizona.

While the idea of world markets for U.S. farmers grew moderately at first, producer interest in export programs really took off following the massive grain purchases by the Soviet Union in 1972.

"That pulled off the surplus in the United States, and it quickly became evident to American farmers that the potential for sales growth was in export markets. Today, farmers, through their respective cooperators, are helping to build and expand those markets," says Minyard.

Partners in Trade

Besides the ability of the American farmer to produce, one of the main reasons for the growth in U.S. export markets is the joint government/industry program—the partnership in trade between the cooperators and FAS.

The cooperators, representing some 2½ million farmers, work with more than 1,600 organizations overseas,



more than 1,500 U.S. cooperatives and nearly 9,000 private firms in the United States.

Agreements with cooperators are the backbone of FAS export promotion program. More than 80 percent of the annual promotional effort takes place through these groups representing commodities ranging from almonds to wheat.

FAS now has 57 agreements in place with cooperators to promote farm exports. In addition, there are agreements with four regional groups and a large number of export incentive programs with private firms.

There are also about 130 foreign cooperators in 70 countries—called "third-party cooperators"—that work closely with their U.S. counterparts and FAS in market promotion. They also share the program costs. Generally,

these costs are borne about evenly by FAS, the U.S. cooperator and the foreign participant.

Compared with the return on investments, FAS funding of the program is small. In calendar 1981, it amounted to \$20.2 million against U.S. farm exports of \$43.3 billion. Many other countries spend much more proportionally to promote their export sales.

Minyard is absolutely convinced that export competition will increase in the future. "But this doesn't worry me as long as it is not subsidized competition. The U.S. farmer can compete with anybody on a head-to-head basis...and still make money."

"The experience that the cooperators have gained over the years enables them to concentrate their efforts on markets with the best potential," says Minyard. "What you have to realize is that some of the work being done today won't begin to pay off until six to eight years down the road. Quite literally, market development work is trying to instill changes in eating habits of the *next* generation."

Two Basic Marketing Approaches

Although every cooperator approaches each overseas market with an individual program, there are two basic methods of market development. They are trade servicing and consumer product promotion.

Trade servicing is used mainly by cooperators promoting bulk commodities like soybeans and grains. It is directed at trade and industry groups handling imported U.S. farm products. Programs provide information to importers, assist processors with technical problems, and help end users effectively use the U.S. product.

Consumer promotion is used by cooperators who represent producers of semiprocessed and processed products, ones that do not lose their U.S. identity before reaching the foreign customer. Generally, consumer promotion is designed to create demand for a product with good growth potential.

Other techniques that play a key part in building sales for U.S. agriculture and the U.S. food industry are overseas exhibits and the large international trade fairs. Also important are solo U.S. trade shows attended by foreign traders, buyers and government officials.

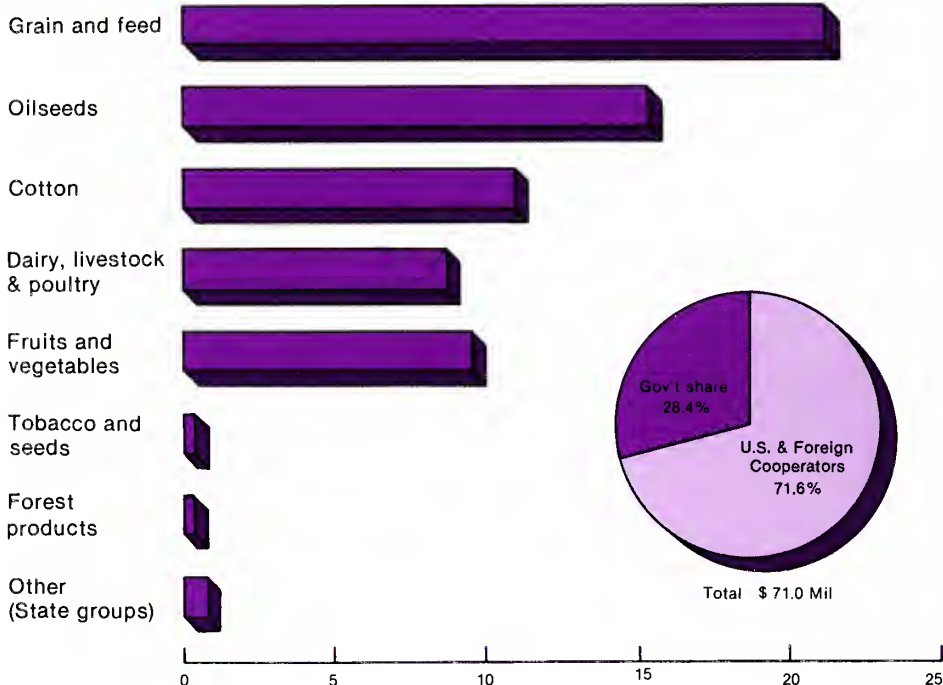
Visits by foreign trade teams to the United States and similar trips to overseas markets by U.S. groups are also valuable tools in market development.

Major Function for FAS

FAS has a major function in this trade partnership with cooperators. The agricultural attache service supports U.S. exporters' work overseas. In fiscal year 1981, FAS attaches assisted in more than 1,200 cooperator activities and submitted more than 2,000 reports relating to changes in market opportunities.

Government, Cooperators Share Cost Of Market Development Projects Overseas

Expenditures in millions of dollars, FY 1981



Minyard described the relationship this way. "FAS has to take the initiative in the areas of trade policy and market information, while the initiative for expanding demand lies with the cooperators."

The track record for the last quarter of a century clearly shows that the partnership has worked extremely well. Farm exports have risen from less than \$3 billion in 1955 to more than \$40 billion today.

Minyard Sees \$100 Billion In U.S. Farm Exports by 1990

Minyard firmly believes that by 1990—just eight years from now—U.S. agricultural exports will be pushing close to \$100 billion a year

"I think we'll hit that goal by then," Minyard said. "There's room for growth. We already have the markets

identified and once our economy and those of other nations, turns around we should see growth take off again."

The export gains of the past revolved largely around traditional markets like Japan and Western Europe. While these will remain important U.S. markets, Minyard looks to other parts of the world—the Middle East, China, Indonesia, Africa, Latin America—for the growth of the future.

Now, about that goal of \$100 billion. ■

The author is with FAS Information Division.

The Cooperators At Your Fingertips

Foreign Agriculture/September 1982 7

Following is a list of home offices of FAS foreign market development cooperators. As of July 1, there were 57 cooperators:

State Organizations

Eastern U.S. Agricultural and Food Export Council, Inc. (EUSAFEC)

Edmund Paige, Exec. Dir.
2 World Trade Center, Suite 5082
New York, NY 10047
Tel: (212) 432-0020

Mid-America Intl. Agri-Trade Council (MIATCO)

LaVerne E. Brabant, Exec. Dir.
300 West Washington St., Suite 1001
Chicago, IL 60606
Tel: (312) 368-4448

Southern United States Trade Assoc. (SUSTA)

Raymond Lozano, Exec. Dir.
Intl. Trade Mart, Suite 338
New Orleans, LA 70130
Tel: (504) 568-5986

Western United States Agricultural Trade Assoc. (WUSATA)

Dr. James Youde, Exec. Dir.
13101 N.E. Highway 99, Suite 200
Vancouver, WA 98665
Tel: (206) 574-2627

National Assoc. of State Departments of Agriculture (NASDA)

J.B. Grant, Exec. Sec.
1616 H Street, N.W.
Washington, D.C. 20006
Tel: (202) 628-1566



Horticultural and Tropical Products

California Avocado Commission

Ralph Pinkerton, Pres.
17620 Fitch, 2nd Floor
Irvine, CA 92714
Tel: (714) 540-8180

California Cling Peach Advisory Board

Richard L. Peterson, Gen. Mgr.
P.O. Box 7111
San Francisco, CA 94120
Tel: (415) 541-0100

California Raisin Advisory Board

Clyde Nef, Mgr.
P.O. Box 5335
Fresno, CA 93755
Tel: (209) 224-7010

California Table Grape Commission

Bruce Obbink, Pres.
P.O. Box 5498
Fresno, CA 93755
Tel: (209) 224-4997

Florida Department of Citrus

W. Bernard Lester, Exec. Dir.
1115 East Memorial Boulevard
P.O. Box 148
Lakeland, FL 33802
Tel: (813) 682-0171

Florida Nurserymen and Growers Assoc., Inc.

Charles W. Dunn, Exec. Vice Pres.
P.O. Box 16796
Temple Terrace, FL 33687
Tel: (813) 985-8511

National Potato Promotion Board

Robert L. Mercer, Exec. Vice Pres. 1385
South Colorado Blvd., #512
Denver, CO 80222
Tel: (303) 758-7783

North American Blueberry Council

Peter Holbein, Pres.
P.O. Box 166
Marmora, NJ 08223
Tel: (609) 399-1559

Northwest Horticultural Council

Chris Schlect, Pres.
P.O. Box 570
Yakima, WA 98907
Tel: (509) 453-3193

Papaya Administrative Committee

Robert A. Souza, Mgr.
Liberty Bank Bldg.
929 Queen Street, Suite 204
Honolulu, HI 96814
Tel: (808) 533-3841

Walnut Marketing Board

Anthony J. Tarlock, Exec. Dir.
155 Bovet Road
San Mateo, CA 94402
Tel: (415) 345-1631

Western Growers Assoc.

Daryl Arnold, Pres.
P.O. Box 2130
Newport Beach, CA 92663
Tel: (714) 641-5000



Dairy, Livestock and Poultry

Dairy Society International

George W. Weigold, Mang. Dir.
3008 McKinley Street, N.W.
Washington, D.C. 20015
Tel: (202) 363-3359

Poultry and Egg Institute of America (International Trade Development Board)

Lee Campbell, Pres.
1815 N. Lynn Street, Suite 801
Arlington, VA. 22209
Tel: (703) 522-1363

American Angus Assoc.

Richard L. Spader, Exec. Vice Pres.
3201 Frederick Boulevard
St. Joseph, MO 64501
Tel: (816) 233-3101

American Brahman Breeders Assoc.

Wendell Schronk, Exec. Sec.
1313 La Concha Lane
Houston, TX 77054
Tel: (713) 795-4444

American Hereford Assoc.

Bud Snidow, Asst. Sec.
715 Hereford Drive
Kansas City, MO 64101
Tel: (816) 842-3757

American Polled Hereford Assoc.

Travis D. Rich, Exec. Sec.
4700 East 63rd Street
Kansas City, MO 64130
Tel: (816) 333-7731

American Intl. Charolais Assoc.

Bob Scarth, Dir., Breed Improvements
1610 Old Spanish Trail
Houston, TX 77054
Tel: (713) 797-9211

American Quarter Horse Assoc.

Ronald Blackwell, Exec. Sec.
2736 West Tenth Street
P.O. Box 200
Amarillo, TX 79168
Tel: (806) 376-4811

Appaloosa Horse Club, Inc.

Eric Edmondson, Exec. Sec.
P.O. Box 8403
Moscow, ID 83843
Tel: (208) 882-5578

Beefmaster Breeders Universal

Gene Kuykendall, Exec. Vice Pres.
800 N.W. Loop 410
350 GPM South Tower
San Antonio, TX 78216
Tel: (512) 341-1277

Brown Swiss Cattle Breeders Assoc., Inc.

George Opperman, Sec.-Treas.
P.O. Box 1038
Beloit, WI 53511
Tel: (608) 365-4474

EMBA Mink Breeders Assoc.

Rita M. Johnson, Coordinator
6214 Washington Avenue
P.O. Box 941
Racine, WI 53406
Tel: (414) 886-9800

Holstein-Friesian Assoc. of America

Zane Akins, Exec. Sec.
1 South Main Street
Brattleboro, VT 05301
Tel: (802) 254-4551

Intl. Brangus Breeders' Assoc., Inc.

Jerry Morrow, Exec. Sec.
9500 Tioga Drive
San Antonio, TX 78230
Tel: (512) 696-8231

Mohair Council of America

Fred R. Campbell, Exec. Dir.
P.O. Box 5337
San Angelo, TX 76902
Tel: (915) 655-3161

National Assoc. of Animal Breeders

William M. Durfey, Exec. Vice Pres.
401 Bernadette Drive, P.O. Box 1033
Columbia, MI 65205
Tel: (314) 445-4406

National Assoc. of Swine Records

Glenn Conatser, Sec. Treas.
P.O. Box 2417
West Lafayette, IN
Tel: (317) 463-3593

National Renderers Assoc., Inc.

Dean A. Specht, Pres.
2250 East Devon Avenue
Des Plaines, IL 60018
Tel: (312) 827-8151

Santa Gertrudis Breeders Intl.

Forest Pickett, Office Mgr.
P.O. Box 1257
Kingsville, TX 78363
Tel: (512) 592-9357

Tanners' Council of America, Inc.

Elinor D. Talmadge, Pres.
2501 M Street, N.W.
Washington, D.C. 20037
Tel: (202) 785-9400

U.S. Meat Export Federation

Alan R. Middaugh, Pres.
3333 Quebec Street, Suite 7200
Stapleton Plaza
Denver, CO 80207
Tel: (303) 399-7151



Grain and Feed

Michigan Bean Shippers' Assoc.

John McGill, Admin.
P.O. Box 6008
Saginaw, MI 48608
Tel: (517) 790-3010

Millers' National Federation

Roy M. Henwood, Pres.
600 Maryland Ave., S.W., Suite 305
Washington, D.C. 20024
Tel: (202) 484-2200

National Hay Assoc., Inc.

Ron Anderson, Export Comm.
Chairman
P.O. Box 99
Ellensburg, WA 98926
Tel: (509) 925-9818

The Popcorn Institute

Robert Wilbur, Dir., Govt. Relations
1101 Connecticut Ave., N.W.
Washington, D.C. 20036
Tel: (202) 857-1100

Protein Grain Products Intl.

Robert D. Fondahn, Pres.
6707 Old Dominion Drive, Suite 240
McLean, VA 22101
Tel: (703) 821-3717

Rice Council for Market Development

Bill J. Goldsmith, Exec. Vice Pres.
P.O. Box 740123
Houston, TX 77274
Tel: (713) 270-6699

U.S. Feed Grains Council

Darwin E. Stolte, Pres.
1575 Eye Street, N.W. Suite 1000
Washington, D.C. 20005
Tel: (202) 789-0789

USA Dry Pea and Lentils Council, Inc.

Tim Welsh, Marketing Dir.
Stateline Office
P.O. Box 8566
Moscow, ID 83843
Tel: (208) 882-3023

U.S. Wheat Associates

Winston B. Wilson, Pres.
1575 Eye Street, N.W. Suite 200
Washington, D.C. 20005
Tel: (202) 789-2110

Oilseeds and Products

American Soybean Assoc.

Kenneth Bader, Chief Exec. Officer
P.O. Box 27300
St. Louis, MO 63141
Tel: (314) 432-1600

National Cottonseed Products Assoc.

Kenneth O. Lewis, Exec. Vice Pres.
P.O. Box 12023
Memphis, TN 38112
Tel: (901) 324-4417

National Peanut Council

Perry Russ, Pres.
1000 16th Street, N.W., Suite 700
Washington, D.C. 20036
Tel: (202) 775-0450

National Sunflower Assoc.

Larry Kleingartner, Exec. Dir.
1501 North 12th Street
Bismarck, ND 58505
Tel: (701) 224-3019

Tobacco, Cotton and Seeds

Tobacco Associates, Inc.

C. N. (Kirk) Wayne, Jr., Pres.
1101 17th Street, N.W., Suite 912
Washington, D.C. 20036
Tel: (202) 659-1160



Cotton Council International

David C. Hull, Exec. Dir.
1030 15th Street, N.W.
Suite 700, Executive Building
Washington, D.C. 20005
Tel: (202) 833-2943

Intl. Institute for Cotton

Solar Building
1000 16th Street, N.W.
Washington, D.C. 20036
Tel: (202) 223-5876

(A world organization for cotton research and promotion. The United States is a member.)

American Seed Trade Assoc.

Harold D. Loden, Exec. Vice Pres.
1030 15th Street, N.W., Suite 964
Washington, D.C. 20005
Tel: (202) 223-4080

Other

National Forest Products Assoc.

John V. Ward, Dir., Intl. Trade
1619 Massachusetts Ave., N.W.
Washington, D.C. 20036
Tel: (202) 797-5820

American Catfish Marketing Assoc.

Henry Williams, Vice Pres.
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Belzoni, MI 39038
Tel: (601) 247-3050 ■

The American Potato: Beginning of a World Odyssey?



By Laurie Anderson

From being considered dull, fattening and nonnutritious, the American potato has made big strides in the past decade. It now ranks as a favorite vegetable that's low in calories and high in nutrition with both U.S. shoppers and with consumers as diverse as those in Japan, Hong Kong, Western Europe and Latin America.

Only three to four percent of the U.S. potato crop is exported. But according to the Potato Board's president, Bill Webster, "The anticipated growth in export markets will have a significant effect on the entire U.S. potato industry." Webster points out that export opportunities are being created by Western influence on food tastes in Japan, especially in the case of french fries. At the same time, chances to increase sales can be found in countries that grow potatoes, but don't produce the high-quality seed potatoes grown in the United States.

Alarmed by declining potato consumption in the 1960s, potato growers realized the need for national promotion work. As a result of efforts by growers throughout the country, the Potato Research and Promotion Act was passed by Congress in 1971 to set up the National Potato Promotion Board.

The promotion program is supported by the nation's 17,000 potato growers. Each grower contributes 1 cent for every 100 pounds harvested and the funds are used for domestic and export promotion programs.

Since 1974, the Board has worked to develop viable export markets for potatoes. The program has concentrated on promoting potato products in Japan and establishing an export market for seed potatoes, mainly in Latin America.

Processed Potato Leader in Exports

Two-thirds of the potatoes the United States exports are processed, which means added jobs. The value of U.S. potato exports has grown from \$70

million in 1977/78 to \$93 million in 1980/81. Of the processed exports last season, 10.5 percent was frozen and 77 percent was dehydrated.

The Potato Board began laying the groundwork for building export markets in 1974 by participating in the American Food Festival in Tokyo and the International Hotel and Restaurant Food Show. One of the first barriers for U.S. potato exports was Japanese restrictions on preservatives. The Board tried to convince Japanese officials to raise the level of sulfur permitted in dehydrated potatoes. Sulfur is used as a preservative to help keep potatoes white.

However, Japan's agricultural lobby resisted this change. U.S. processors were forced to ship their product without sulfur, but the growth in exports of dehydrated products has still been very encouraging.

Sales of dehydrated potato products have, in fact, grown most dramatically to Japan where they are used mainly as an ingredient in snack foods. The market performance of frozen products has been slower, but still showing excellent growth potential.

Marketing Plans Offer Varied Approach

The Potato Board actively seeks overseas markets for U.S. exporters of processed potato products, with representatives making contacts in the Middle East and Western Europe as well as in the Orient.

"Because of transportation costs and phytosanitary restrictions, processed potato products will continue to show the most dramatic growth," says Mike Cranney, chairman of the Board's export committee.

Sales of dehydrated potatoes and frozen french fries to Japan and Western Europe have increased significantly over the past few years. Sales of frozen french fries in particular have risen sharply in Japan and Hong Kong where they are preferred by institutional endusers because of their size, uniformity and superior quality.

Today, U.S. frozen french fries own about a 90-percent share of Japanese imports, while commanding about a 50-percent share of the total market.

"The overall objective of our marketing plan is to build on the awareness of the quality of U.S. french fries," said Cranney, "We want to expand our markets in Japan and get maximum support from processors."

While Japanese consumers are getting more familiar with frozen french fries, there are still problems to overcome: most consumers are unaware that the food-service fries are from the United States, and few Japanese know how to prepare the frozen products at home.

"To combat these problems, we have reinstated in-store demonstrations after a year's absence," says Cranney. Promotional activities also include cooking seminars for both the Japanese housewives and food writers and tie-ins with TV cooking programs. Another approach is the distribution materials in Japanese leaflets as well as novelty items, such as T-shirts with the U.S. potato logo.

Seed Exports Gaining in Latin America

"U.S. seed potatoes are equal to or superior to those grown elsewhere in the world. U.S. growers produce some of the highest yields in the world," says Mike Koehnke, chairman of the Board's seed export committee. "This should give the U.S. seed industry an edge over many countries where yields are lower."

Canada and the Netherlands have been the world's major suppliers of seed potatoes. Because the United States had no single national seed organization to spearhead foreign trade, the Potato Board—with help from state export associations and the Foreign Agricultural Service (FAS)—has assumed this role since 1977.

The seed potato market was virtually unexplored until Board representatives

made a market exploration tour to South America in 1977. The next year the program encompassed 16 Latin American countries. These market development trips revealed that Venezuela, Uruguay, Argentina, Jamaica, Mexico, Costa Rica and Brazil offered profitable outlets for U.S. seed potatoes.

Getting seed into a country first involves several years of sample tests in experimental farm plots, according to Koehnke. After about five years of testing, a decision is usually made by officials in the testing country regarding large-scale imports of seed for the country's growers.

Field Trials Underway

Field trials are an ongoing effort. They involve shipping U.S. potato seed varieties to major grower organizations or government experimental stations. Seed specialists representing the Board report on the trials, and university agricultural stations also provide help to those testing U.S. seed.

"The U.S. seed industry must continue to demonstrate through tests that its varieties and seed will produce higher yields and greater disease resistance," Koehnke said in pointing out the need for a long-term promotional effort in Latin America. The goal: convince Latin South American growers to order larger quantities for full-scale planting on a regular basis.

One of the key links to selling seed after completion of seed trials seems to be through contacts with influential government officials and buyers. Canada spends considerable funds to bring these people from Latin America to tour operations in Canadian seed areas. Plans are now underway for the Potato Board to sponsor trips to the United States by buyers from key agricultural areas in Latin America.

Plans are also being drawn for a U.S. potato logo to be placed on the shipping cartons of all U.S. potatoes. Not only will this make U.S. potatoes easy to identify but it will also serve as good advertising for the product. ■

French Fries Hit Tokyo Food Show

Building on the earlier success at shows in Japan, American potato products were again popular items at the FOODEX Show held this past March in Tokyo.

Many of the 100,000 hotel, restaurant and foodservice operators attending the show stopped to sample U.S. potato products. It was quickly evident that french fries have the same appeal in Japan they have here in America. Before the show the Board staged a media blitz in four Japanese foodservice magazines from November to January using its ad, "The Potato Born to be a French Fry."

U.S. Potatoes Make Debut On Japanese Television

Also, in March, U.S. potato products made their debut on Japanese television. Potato Board's public relations manager, Laurie Anderson, appeared on national television and two local programs.

The national show—similar to the "Good Morning, America" show—reached more than six million viewers. The programs helped create an awareness of U.S. potato products among Japanese consumers. In addition to offering serving suggestions, Anderson emphasized the nutrition, quality, good taste and ease of preparation of U.S. potato products.

The author is public relations manager of the National Potato Promotion Board in Denver.

Rice Council Runs 'Triple Option'



By Bill Goldsmith and John Howard

Sales of U.S. rice in Western Europe have made steady progress over the years. A large factor in this success has been the work of the Rice Council for Market Development based in Houston.

The Council has helped to foster changes in eating habits and to create an appreciation of high-quality U.S. rice among sophisticated European consumers.



In the spirit of the new football season opening here, the Rice Council is calling its promotional efforts in Europe the "triple option." The first two options have the virtue of being usable in the U.S. domestic market as well as in market development in Europe. The third option, however, is designed specifically for foreign markets and has worked well in Western Europe.



The world's "big league" rice buyers for the past five years have been South Korea, Nigeria, Indonesia, Saudi Arabia, Iran and the USSR. In addition to these individual countries, the regional markets of Europe and West Africa take more than a million tons of rice annually to earn spots among the top eight buyers

From the standpoint of traditional market development, Western Europe continues to offer significant marketing opportunities because of its highly developed mass media. Europe also has the advantage of a population with growing affluence and interest in diet and foods.

By taking these factors into account, the Rice Council has developed a marketing system keyed to brands and

Far left: John Tull, Arkansas farmer and chairman of the Rice Council's International Programs Committee points out rice planting techniques on his farm to a group of French and Belgian magazine food editors.

package identification to change traditional eating habits of European consumers.

Western Europe's population of more than 350 million makes it a rice market with a slightly greater potential than even the U.S. domestic market.

Other regions, such as West Africa and the Middle East, also offer great potential for rice sales. But market development programs in these areas must be vastly different, at least for the present because of limited advertising media, lower disposable incomes and the lack of a brand-oriented marketing system. Europeans, like Americans, are not heavy consumers of rice on a daily basis. Historically, potatoes have a mainstay in their diet and change comes rather slowly. But when change does occur, the result is a consistent and dependable market.

The 'Triple Option'

The Rice Council used a variety of promotional techniques, but the foundation of the game plan in Europe is the "triple option." The Council's director of European operations, Rolf Stucki, once described the plans as three distinct types of marketing:

- A public relations campaign
- Educational activities and
- A brand incentive program

Each option has been economically efficient in Europe for a number of reasons. Europe's balanced market distribution systems, political stability, sophisticated media and established educational institutions provide the perfect market environment—not unlike the one in the United States.

The close marketing resemblance of Europe and the United States gives the Rice Council tremendous flexibility. The similarity is illustrated by the fact



that many consumers in both markets do not know how to cook rice properly. So techniques developed for U.S. domestic advertising and promotions based on cooking can be exported to Europe and vice versa.

A variety of techniques can be successfully transplanted from one marketing environment to the other. For instance, two groups of food editors for major European magazines were brought to the United States during spring planting this year. They toured rice growing areas to get a firsthand look at the U.S. industry. Food editors from leading U.S. magazines had just completed an identical program.

This extra yardage from the same play is used in marketing on both sides of the Atlantic.

The Next Goal

Getting the next generation of European consumers in the habit of preparing rice is like getting a fullback over the middle. It's short, but important yardage. The secret is to keep at it.

Continuous programs are the key to the promotion of rice in educational institutions.

The Rice Council uses educational movies to help develop markets in Europe. Teacher and student material may also be included in this approach.

Rice recipes and promotional photos are provided to journalists and food editors all across Europe. Although it uses different materials, this program is almost an instant replay of similar activities in the United States. Major daily newspapers, magazines and other media regularly receive these recipes, photos and nutrition information designed to influence the consumer.

"Taste and Try" sessions and rice seminars are held for influential journalists by Stucki and public relations specialists retained by the Council in Europe. Press receptions and visits by Stucki and public relations consultants are other variations of the same play.

There is one market development play unique to Europe and other foreign markets that is not used in the United States. It's called the Brand Incentive Program (BIP). It provides a small amount of funds to rice companies, both large and small, if they go directly to consumers and promote the fact that their rice is from the United States.

Customers are made aware that this means a high-quality product, one they can depend on. Advertising copy clearly showing the product is from the United States is put on the packages. Other advertising of the brand product also emphasizes the U.S. origin.

Each BIP "play" is a separate contract and is managed in Europe by Stucki from his Zurich office.

The Scorecard

A comprehensive analysis of rice markets in Europe would, of course, be lengthy. However, a look at the past decade shows that U.S. rice has made major gains in Western Europe. Brown rice—grown and partially processed in the United States—is shipped to European rice mills where it is processed further and packaged before going to European consumers.

During 1971-81, the U.S. market share in selected European countries grew from 36 to 43 percent and the use of U.S. rice, based on tonnages of milled rice, advanced nearly 60 percent to 257,100 tons.

But you can't score if you don't have the right strategy. One of the keys to the Rice Council's success is the flow of information from agricultural attaches of the Foreign Agricultural Service (FAS) throughout the Council's marketing areas. The growth in U.S. rice exports to Western Europe attest to the excellent teamwork between FAS and the Rice Council.

Based on the result of gains already chalked up by the Council, the day may soon come when it will be the custom for Europeans, like Americans, to throw rice at weddings. ■

Mr. Goldsmith is executive vice president and Mr. Howard is manager at the Rice Council for Market Development, Houston

Longing for a Little American Food?

Next time you're in Europe and tired of pate foie gras and pasta, stop in Brussels and make a reservation at Cadillac—Brussel's first restaurant to feature only American beef dishes. The **U.S. Meat Export Federation's (MEF)** Hamburg director Willem Zerk spoke at the restaurant's inaugural luncheon, which featured U.S. prime rib. Some 65 national and local journalists representing consumer and trade publications attended the luncheon. Zerk talked about U.S. beef, its marbling, preparation, and so forth. He gave each journalist a packet of information, including an original menu identifying American beef, a mini-menu with MEF's U.S. meat logo and an MEF consumer brochure on beef. The next day, the restaurant held another opening reception for 250 VIPs, including the mayor of Brussels, politicians, press representatives and members of the local trade, who all treated themselves to samples of roasted U.S. strip loin.

U.S. Foods Day in East Berlin

The Foreign Agricultural Service and the American Embassy recently sponsored U.S. Foods Day at the International Trade Center in East Berlin. The exhibit was targeted at state food buying executives, accredited importers, hotel and restaurant managers, and representatives of the German Democratic Republic's (GDR) ministries and nutritional institutes.

The **Poultry and Egg Institute of America (PEIA)**, the **American Soybean Association** and the **Rice Council for Market Development** sent their people to Berlin to make special presentations on U.S. food products and U.S. quality and inspection standards. PEIA's food displays and taste sessions featured turkeys in every conceivable form—whole oven roasted, smoked breast and even turkey sausages and diced turkey ham. Follow-up meetings with trade officials and executives showed genuine interest in the U.S. products. A leading GDR hotel proposed a U.S. festival menu next year and asked PEIA to join in the promotion.

Cracking the Korean Almond Market

Korea could be buying several million pounds of U.S. almonds annually within the next three to five years, according to trade sources with the **California Almond Exchange**. Better still, the long-term sales potential looks even brighter if trade barriers continue to decline. Recently, the licensing restriction on almonds in Korea was eased enough to allow limited entry for California almonds. With the exception of Blue Diamond almonds for tourist hotels and duty-free stores, California almonds had been essentially barred for general trade. The potential for sales of U.S. almonds to Korea is excellent since use of snack almonds and almonds for confectionery items there is expected to grow considerably in the near future.

Here and There With Trade Teams

An Algerian trade team, including representatives from the Ministry of Agriculture and the Office of Cereals, arrived in the United States in June. Sponsored by seven FAS cooperators, the team was interested in a wide variety of agricultural commodities, including wheat, sugar, tallow, soybeans, poultry, corn, sunflowers, peas, lentils and almonds. **U.S. Wheat Associates** and the North Dakota and Minnesota wheat commissions arranged a program for the team to review durum production, marketing and research. Algeria is the world's largest importer of durum, accounting for about one-fourth of world trade.

A U.S. government/industry team was off to the Philippines, Indonesia, Singapore, Malaysia and Thailand in late May and early June to promote U.S. agricultural exports. The team assessed the market potential and market development requirements for sales of U.S. livestock breeding animals and feedstuffs.

U.S. Wheat Associates' Recipe for Successful Marketing

By Winston B. Wilson

Japan, 1955: Rice remains the traditional and dominant staple food of Japanese consumers. Most people feel there is little chance for wheat to break into the Japanese market.

The head of one of the U.S. wheat industry's cooperator groups thinks otherwise. He opens an office in Tokyo and starts activities such as noodle shops, baking schools and school lunch programs to promote the use of U.S. wheat.

Today, the Japanese are munching U.S. wheat-based doughnuts in the Ginza, and America's wheat farmers have a permanent place in the Asian market. U.S. wheat exports to Japan have risen from a little over a million tons in 1955 to 3.4 million tons last year. And the trend toward increased consumption of wheat foods is spreading throughout Asia.

Brazil, 1982: The Brazilian Wheat Board, the nation's sole purchaser of wheat, had made some changes in personnel and policy. The Brazilians were interested in purchasing wheat, but found the world wheat market charged with competition.

At the invitation of U.S. Wheat Associates (USW), a trade mission of Board members is invited to the United States. Traveling through Texas, Kansas and Nebraska, the team meets with key members of the farming community and the international grain trade. They tour flour mills and the Chicago Board of Trade. In Washington, they meet with USDA's general sales manager to discuss future credit policies towards Brazil, which needs credit to buy the volume of wheat it needs.

Three days after the trade mission arrives in the United States, the Brazilian Wheat Board buys nearly 200,000 tons of U.S. hard red winter wheat.

Southeast Asia, 1982: Flour mill representatives were having problems. Consumption of "sweetgoods," such as cookies, cakes, donuts and muffins, was outpacing the mills' ability to produce them.



Hugh Bright, USW biscuit consultant, studying production line problems in a cookie bakery in Jakarta, Indonesia.

To meet demand, many Asian mills expand into pre-mixes for both retail and commercial consumption. But this is a new concept for the mills, and they request assistance from U.S. Wheat Associates in formulas, ingredients and marketing. Enter U.S. Wheat Associates consultant Ron Smith. He spends three weeks in the Philippines, Thailand and Malaysia conducting seminars and developing the pre-mix industry.

The result? Increased knowledge and production by the mills and a greater awareness of the advantage of using U.S. wheat.

These are just a few of the success stories of the U.S. Wheat Associates—the overseas export promotion arm of the U.S. wheat industry. Founded in January 1980 through the merger of Great Plains Wheat and Western Wheat Associates, U.S. Wheat Associates establishes, expands and maintains markets throughout the world for all classes of wheat grown in the United States. USW's representatives operate out of two offices in the United States, as well as 12 others overseas.

Given the range of countries and conditions in which USW operates, no one approach or activity brings the best results in all countries. USW develops activities that are appropriate to a particular country's economic strength, the size of its wheat production and its consumption level of wheat products. It also takes into consideration the historic political relationship with the United States, the geographic proximity to the United States and the country's economic system.

U.S. Wheat Associates and its predecessor organizations have worked in Europe and Asia for many years. Today, USW continues to work in these established markets primarily through providing market information and trade servicing. While there may be some growth in the amount of wheat used or in the U.S. market share, USW concentrates on protecting the U.S. share from Canadian and Australian competition.

In the newer markets of Africa and the Middle East, USW puts greater emphasis on technical assistance. It helps countries increase their understanding of how wheat is traded and improve the efficiency of their milling and baking industries. This involves providing technical consultants and training in milling, baking, handling and storage.

Working with the local industry, USW may also help to establish permanent training centers. The goal is to establish healthy, professional milling and baking industries, which have a vested interest in increasing wheat food consumption and have a preference for U.S. wheat.

Trade teams and crop quality seminars are two highly successful activities used by USW. As in the case of Brazil, USW invites a few key industry or government decisionmakers to the United States for two-three weeks to meet with producers, traders, millers, bakers, nutritionists and government officials. Team members see U.S. port and handling facilities and establish industry contacts. Trade teams are specifically tailored to a particular country's needs.

USW conducts crop quality seminars in key importing countries each fall after the new U.S. wheat crop is harvested. Traders, millers and bakers, particularly in the more developed markets, are interested in what to expect of the new wheat crop. USW gives them the supply/demand outlook and crop quality information, such as moisture and protein levels for the various classes and any unusual milling or baking characteristics.

USW also works closely with countries interested in introducing a new product. For example, USW recently sent a pasta consultant to Colombia and Ecuador to help develop pasta production, hoping this may lead to U.S. durum wheat sales to those countries. At the same time, USW provides

assistance to help countries move from government-controlled markets to freer trading systems.

In the past few years, U.S. Wheat Associates has focused increasingly on China, helping the Chinese improve and increase their use of wheat foods.

With the help of the Foreign Agricultural Service(FAS), USW established a model bakery to serve both as a training center and supply bread for Beijing. USW also plans to establish a model flour mill and noodle factory in China.

The proof of U.S. Wheat Associates' success is that U.S. wheat exports since 1973 have climbed nearly 60 per cent. But at the same time, U.S. production has risen by more than 80 per cent. So exports are not keeping pace with the expansion in production, making USW's work even more critical for America's wheat farmers.

Unfortunately, there are no other new markets as large as China waiting on the horizon. USW is intensifying its efforts in the Middle East and other important newer markets, but expanding wheat exports further requires a sustained, long-term commitment.

U.S. Wheat Associates gets its support from per-bushel checkoff funds from wheat producers in 13 states. It also obtains funds through contracts with USDA's FAS and overseas third-party cooperators, such as milling and baking associations.

USW devotes its resources exclusively to foreign market development, stressing the unique role of the United States as a reliable producer and supplier of all classes of quality wheats.

Based on its success thus far, U.S. Wheat Associates seems to have found the right recipe to keep cooking up U.S. wheat sales overseas. ■

The author is president of U.S. Wheat Associates, Inc., Washington, D.C.

U.S. Tanners Find Leather-Bound Markets

By Elinor D. Talmadge

Last year, they were relegated to the eighth floor. But this year, after coming up a notch or two in the world, they made it down to the second floor. It was a tough climb to the bottom.

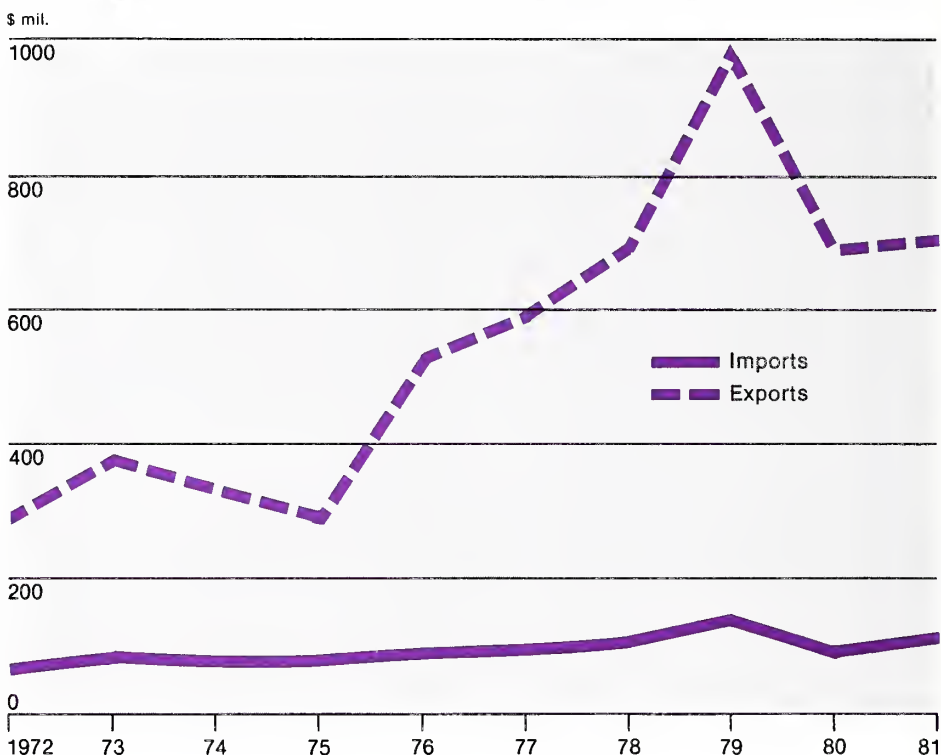
That's the story of the U.S. Tanners' Council exhibit at the Tokyo Leather Show. For the first time, American exhibitors were allowed to set up their display on the same floor as their hosts. In earlier years, U.S. tanners exhibited away from the mainstream of visitor traffic on one of the upper floors. They say they received more attention this spring than ever before. It was a small, but significant step—the kind that often makes a difference in sales.

The council recently celebrated its 65th birthday, making it one of the oldest U.S. trade associations. Its membership consists of about 300 tanner and supplier organizations including hide traders, chemical companies, banks, consultants and more than two dozen foreign members. The organization takes a strong leadership role in both international trade and technical matters.

The council's relationship with the Foreign Agricultural Service(FAS) began in 1964 at one of the most important leather product manufacturers exhibitions in the world, the "Semaine du Cuir," or Week of Leather, in Paris. Last year, FAS and the council sponsored participation by more than 30 American tanners at the Palais Sud at Porte de Versailles. About 15,000 visitors saw the displays of American leather products.

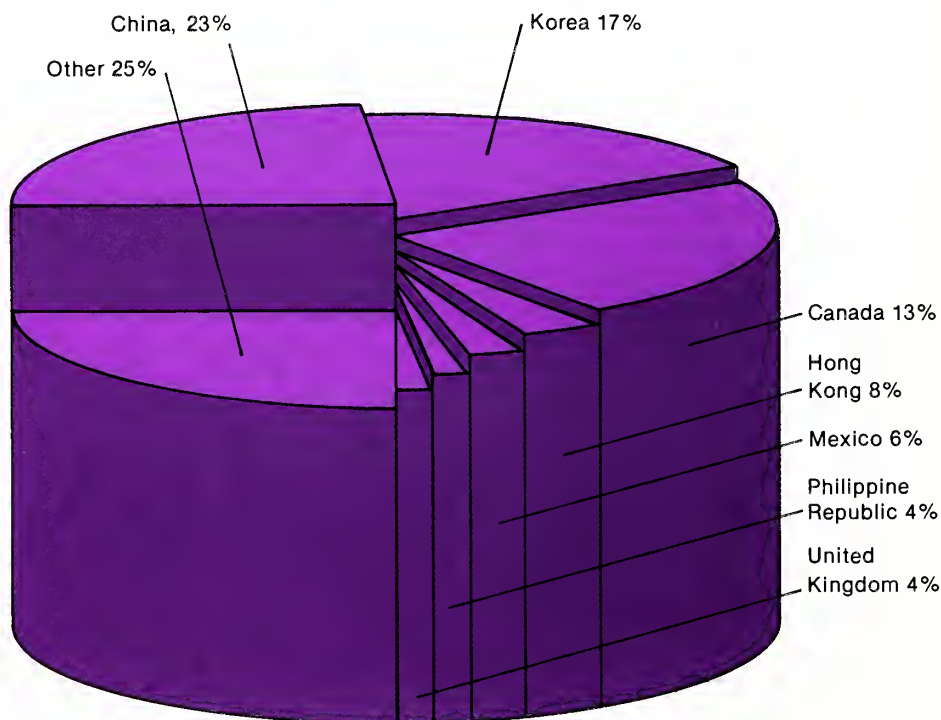
The social aspects of selling were not neglected either while the tanners visited Paris. During that event, the U.S. Ambassador to France hosted a reception at his home in honor of the visiting leather industry representatives. The guest list included about

U.S. Hides and Skins Exports Soar Over Imports



Asia Has Biggest Share of U.S. Leather Exports

(Total: \$275 million in 1981)



800 people from the leather industry, about 500 of whom were from countries other than the United States. This gathering provided another critical opportunity for U.S. tanners to promote leather products.

Besides its work in promoting the sales of leather, the council is also deeply involved in research at its laboratory at the University of Cincinnati. The council laboratory staff ranks among the most knowledgeable in the world on special leather problems. Members and non-members from many countries seek their advice on a variety of problems and ideas about leather.

Because of their initiative and research, American tanners are at the top of their industry. According to United Nations figures, productivity in this country is three times higher than in second-ranked Great Britain. They also enjoy access to the finest hides in the world.

American tanners, unlike their counterparts in other countries, specialize in particular types of products. Some of the principal products include elegant suede; tough, water-resistant leather popular for boots; and strong, vegetable-tanned industrial belting.

U.S. tanners show great market sensitivity, changing their specialties to meet new customer demands. This specialty depends on customer demand. Their expertise makes American leather popular all over the world.

As is the case with many other crafts, the number of leather tanners in the world is declining. Firms owned by families are being bought up by larger firms. The output of the industry is also declining and fewer companies are now dominating the volume of sales. Part of the reason for the decline is the increasing costs and sophistication of the equipment and chemical process involved in tanning leather.

With the drop in the number of tanners has come a sharp rise in competition for foreign markets. Increasingly, U.S. tanners face trade obstacles. While most leather enters this country at a 1-percent tariff, U.S. tanners must pay considerably higher rates to get their

products into other countries—for example, 7.8 percent to the EC, 15 percent to Canada and Australia, and 20 percent to Japan.

Mexico imposes strict quotas and import licensing procedures. To ship leather to Jamaica, the levy is 250 percent. So far, Japanese tanners have virtually refused to buy U.S. leather, except for specialty goods which they do not make, such as upholstery leather and leather lace used in baseball gloves.

Access to foreign markets continues to dominate the council's goals and activities. Besides its participation in the Japanese and French leather expositions, the council has also broken ground in China. Recently, they displayed U.S. leather in the first Canton Leather Exposition. Skeptical at first about the interest this show would bring, the tanners soon found quite a crowd at their booths.

With the help of the U.S. Embassy, the tanners met many buyers from the Chinese government and held special meetings to discuss ways of making more contacts in the future.

The Chinese government brought people to the show from as far away as 3,000 miles. Important provincial leather buyers and manufacturers were brought in from virtually every major province. Also, a group of U.S. tanners traveled to Beijing for tours of factories and tanneries and held additional meetings with leather buyers.

One of the problems the council members found in China was difficulty in identifying exactly who does the buying. Although the primary buying today is centralized on Beijing, this traditional pattern is changing. The government is trying to decentralize the industry so products can be more appropriately suited to the needs of provincial manufacturers.

Buyers should keep in contact with FAS to keep abreast of latest developments.

The Chinese have invited the U.S. tanners back for next year's exhibition in Beijing. FAS plans to aid the council's funding for the trip and show.

China was the largest market for U.S. sales in 1981. U.S. tanners shipped nearly \$62 million worth of leather to that country, about a third of which was semi-finished or "wet blue." The Chinese want to sell more leather products in the U.S. market and American tanners say they will teach the Chinese about consumer needs and help them sell leather products here.

FAS marketing funds are utilized primarily where market access is difficult. The council works very closely with USDA's trade policy experts as well as with FAS representatives. When market access is obtained, the council steps aside and lets the U.S. tanners compete.

The Department of Agriculture trade teams and FAS marketing staffers have been very helpful in assisting U.S. tanners in the expansion of foreign sales.

Despite a very strong dollar in 1982, leather exports have been virtually the same as last year which is something of a testament to the demand for the high-quality U.S. products. In 1981, U.S. tanners had exported sales of \$275 million. This was significant given the general recession in worldwide leather markets.

These sales went to 90 countries. The largest sales in addition to China were to Korea, Canada, Hong Kong, Mexico, the Philippines, the United Kingdom and Taiwan.

In spite of their success, U.S. tanners know they have to be increasingly aggressive to make sales in new markets and to hang on to their established markets. ■

The author is president of the Tanners' Council of America, headquartered in Washington, D.C.

Soybeans: The Payoff From Export Promotion



By Maggie McNeil

What's it worth to U.S. farmers to pay for tofu cooking classes in Japan? Or bring a group of German food editors to the United States to encourage them to write articles about soy oil

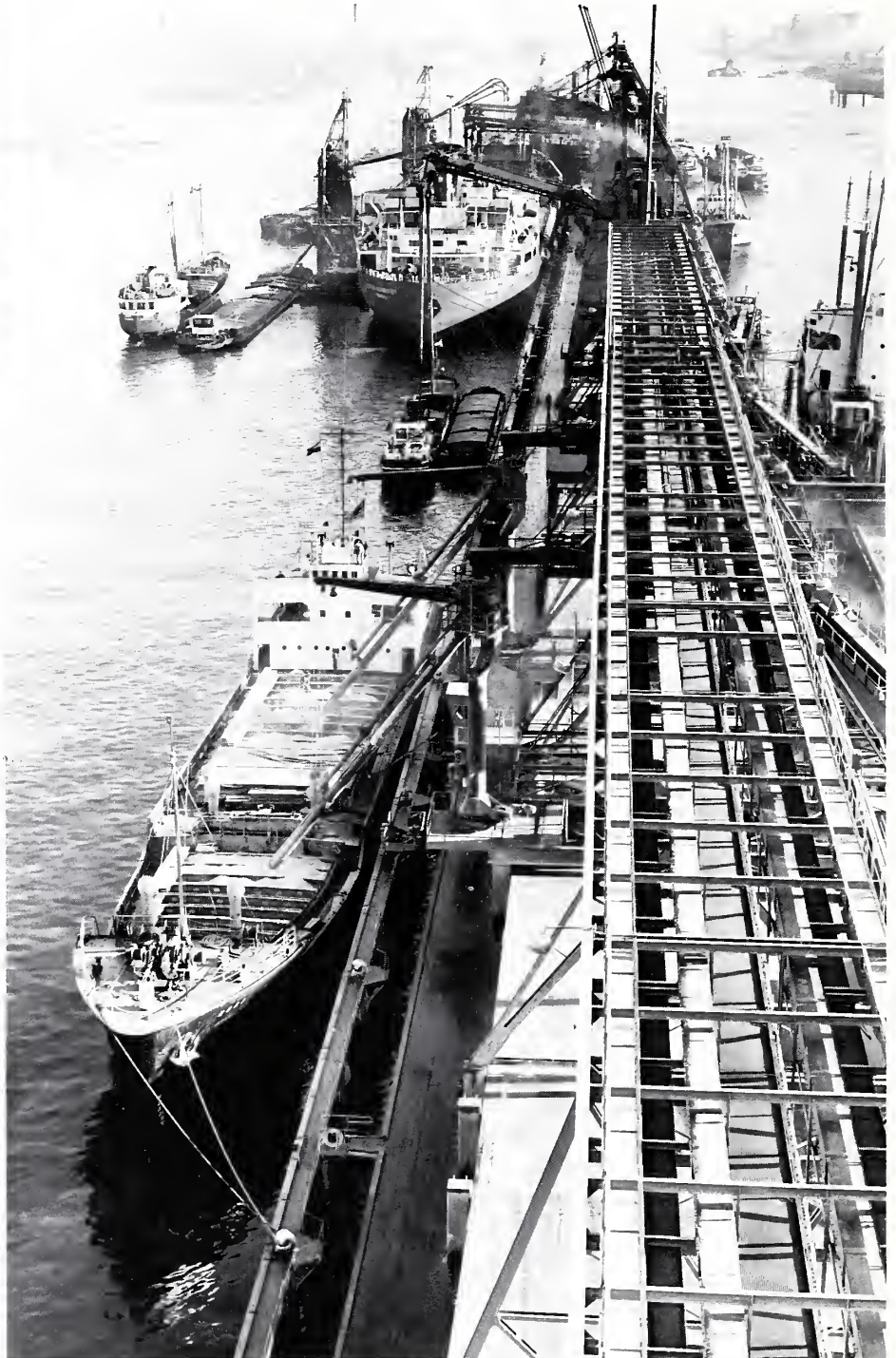
Every year since 1966, U.S. soybean growers have been using a checkoff program to invest a small part of their income in activities designed to create new or expanded demand for U.S. soybeans overseas. In fiscal year 1982, some 475,000 farmers in 23 states earmarked nearly \$5 million for these activities. The American Soybean Association (ASA) is the vehicle for carrying such projects out.

USDA's Foreign Agricultural Service (FAS) also funds market development projects to promote the sales of soybeans overseas. So do a number of trade associations, companies and other groups in foreign countries along with host research institutions. In fact, their contribution generally comes to about \$1.44 for every \$1 invested by U.S. farmers.

What do these groups get for their money? Just how worthwhile are these activities in dollars and cents to their sponsors

A year or so ago, ASA commissioned a study to find out. To make sure the results were as objective as possible, ASA asked a private firm, Chase Econometrics, to do the analytical work.

Using a complex computer simulation, Chase studied the impact of export promotion for soybeans from 1970



Left: American Soybean Association animal nutritionist Karl Sera helps a Japanese dairy farmer calculate his soybean meal feed rations.

Right: U.S. soybeans unloading in Europe.

Vision: The Crucial Ingredient

When the American Soybean Association (ASA) launched its first market development program 26 years ago in Tokyo, Japan's tofu (bean curd) industry was not a big user of U.S. soybeans. In fact, less than a million bushels were going into tofu. But someone in ASA spotted the potential of this market—and started working with tofu manufacturers to develop a processing method ideally suited to U.S. soybeans.

After that, came a concerted campaign to expand Japanese tofu consumption through a nationwide series of cooking classes and the development of new tofu recipes to appeal to the young Japanese homemakers.

As a result, Japan's tofu industry now uses close to 17 million bushels of soybeans—of which nearly 16 million come from the United States. That represents the production of over a half million acres of U.S. soybeans.

Vision—and painstaking attention to all sorts of marketing details—might very well be described as the key ingredients in most ASA projects.

For example, U.S. visits for German food editors were just one of the many details in a four-year ASA campaign in West Germany that boosted soy oil consumption 50 percent between 1977 and 1980 to 1.2 billion pounds.

Soybean oil now commands a 50-percent share of the total German edible oils market and over 484 million pounds of soybean oil are used in the German margarine industry.

ASA helped create this important market for soybean oil by combining consumer research, in-store promotions, and other programs with the food editors' trips—all to create a greater awareness of and interest in soybean cooking oils.

These efforts began paying off in 1977, when Blauband, a Unilever Co. product, became the first major identified soybean oil product to hit West German retail shelves. However, before the year ended, two other identified soybean oils produced by competing companies were on supermarket shelves. To day Blauband and nine other soybean cooking oils are sold to German food shoppers.

GASA now has more than 200 market development projects underway in 76 countries. These programs are managed through 10 overseas offices and a staff that includes livestock nutritionists, international marketing experts and other specialists who work with the host countries to develop new and expanded uses for U.S. soybeans and soybean products.

Current ASA market development projects include widely varied programs ranging from the Human Nutrition Center in Mexico, which demonstrates the value of soybeans to nutrition leaders throughout Latin America, to a recently completed soybean milk replacer feeding trial on dairy calves in Shanghai, China.

U.S. soybean exports to the People's Republic of China increased from 5 million bushels in 1978/79 to 30 million bushels in 1979/80. To help develop this huge untapped market even more, ASA established its newest market development office earlier this year in Beijing.

through 1980. By removing export increases resulting from higher livestock numbers, growth in world population, changes in foreign exchange rates, and other factors, Chase was able to measure the direct impact of the export promotion activities.

The study revealed some impressive numbers: Every dollar invested by U.S. farmers and taxpayers in overseas promotion boosted soybean export sales by \$66.40, gross cash receipts paid to soybean farmers by \$57.50, and federal tax revenues by \$88.00.

Other significant findings were:

- On a yearly average, foreign market development allowed farmers to sell 2.3 percent more bushels at 1.7

percent higher prices. This combination increased average gross cash income to farmers 4.0 percent a year. While this may seem a small increase, it means that without export promotion, U.S. farmers in 1979/80 would have sold 45.8 million fewer bushels of soybeans. Prices would have been 9 cents a bushel lower. And gross soybean cash receipts would have dropped \$485 million or \$881 per soybean farm.

- Export promotion activities increased annual soybean exports 4.1 percent; soybean meal exports 11.6 percent; soybean oil exports 11.7 percent; and soybean export revenues 7.5 percent. In 1979/80, export promotion

accounted for 13.36 million pounds of soybean oil exports and \$514 million of soybean export revenue.

- Farmer-funded promotion for soybeans stimulated business for other areas of the U.S. economy too. It raised average prices and cash receipts for other crops nearly 1 percent per year. Export promotion also brought a slight gain in livestock prices and livestock cash receipts at the farm level, even though it raised the cost of feedstuffs slightly.

- While farmer-funded export promotion greatly increased export revenues and cash receipts for soybean farmers, it resulted in only a slight hike in costs to U.S. consumers. In fact, soybean export promotion raised the consumer



price index (CPI) for food only one-fourth of 1 percent and the CPI for all goods and services only one-twentieth of 1 percent.

- Government spending for soybean market development (through the FAS budget) totaled \$16.8 million during the 10-year study period. Those funds—combined with farmer and industry support—increased soybean export revenue by \$3.75 billion and created total U.S. economic activity amounting to \$7.69 billion.

Assuming the federal government collected taxes equal to 20 percent of this economic activity, FAS spending to promote soybean export built up federal tax revenues by \$1.52 billion. That's an incredible return for a very modest investment.

ASA President Charles Hamon, a farmer from Valley Falls, Kansas, commented that, "The study shows that in

vesting small amounts of checkoff money generates major returns to farmers. We hope U.S. farmers will use this information to increase their checkoff commitments so we can start additional export promotion programs throughout the world." ■

The author is soybean update editor, Information and Education, American Soybean Association, St. Louis, Mo.

PEIA

Foreign Shoppers Flock to American Poultry

By Robert Amato

Competition in poultry exporting can be pretty tough, and no one knows that better than PEIA—the Poultry and Egg Institute of America. But PEIA has shown itself equal to all the challenges—from export subsidies by foreign competitors to complex shipping and labeling requirements for sales to Japan and the Middle East.

Working with the Foreign Agricultural Service (FAS), PEIA has successfully developed markets for U.S. poultry and eggs in countries that never bought those products before. The organization now has a worldwide network of offices in important trade centers like Tokyo, London, Hamburg, Caracas, Singapore and Hong Kong. It also has contract representatives in Malaysia and the highly competitive market in the Middle East.

Staff members in all of PEIA's offices abroad have one goal in common—building the local appetite for American poultry and eggs. The techniques they use to reach this goal are wide-ranging. Sometimes they set up joint promotions with foreign importers, retailers and restaurants. On occasion they use exhibits and cooking demonstrations with recipes geared to appeal to local customs and taste.

A recent recipe promotion in the Middle East is a good example of the work they do.

The promotion featured such exotic dishes as American turkey ham "Safiha," lentils with turkey roll and "Sheikh El Mehshi" turkey pastrami. PEIA's representative in the region saw to it that Arabic menus were readily available and carefully chosen press contacts were briefed on the promotion. Soon Arab readers were taking home new American poultry recipes in their copies of Al Bayrak, Sada Lubnan and other Middle Eastern newspapers and magazines.

With activities spanning the globe—from the huge markets of the Far East to the tiny island of Malta—PEIA is keeping up the momentum in its drive to sell U.S. poultry and eggs.

The author is vice president of the Poultry and Egg Institute of America, located in Arlington, Va.

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